

NINETEENTH LOUISIANA LEVEE DISTRICT
STATE OF LOUISIANA

Annual Financial Statements
June 30, 2006

NINETEENTH LOUISIANA LEVEE DISTRICT

STATE OF LOUISIANA
Annual Financial Statements
June 30, 2006

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities C

Statement of Cash Flows D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (Information in Appendix B)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Post Retirement Health Care and Life Insurance Benefits
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Cooperative Endeavors
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets

- BB. Net Assets Restricted by Enabling Legislation (Information in Appendix C)
- CC. Impairment of Capital Assets (Additional Info in Appendix D)
- DD. Employee Termination Benefits

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Schedule of State Funding
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions

Appendix

- A Instructions for the Simplified Statement of Activities
- B Information for Note C - "Deposits with Financial Institutions and Investments"
- C Information for Note BB - "Net Assets Restricted by Enabling Legislation"
- D Information for Note CC - "Impairment of Capital Assets"

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE
ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA
M. DALE HARRINGTON, CPA (RETIRED)
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA
STEVEN E. KIMBALL, CPA

MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608
TELECOPIER (318) 487-2027

August 30, 2006

To the Board of Commissioners
Nineteenth Louisiana Levee District
Colfax, Louisiana

We have compiled the accompanying financial statements of the Nineteenth Louisiana Levee District as of and for the year ended June 30, 2006, as listed in the table of contents, in the accompanying prescribed form in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Rozier, Harrington, and McKay
Certified Public Accountants

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2006

NINETEENTH LOUISIANA LEVEE DISTRICT

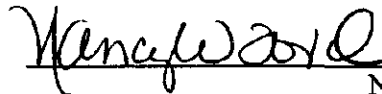
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Reed Perilloux, President of Nineteenth Louisiana Levee District who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Nineteenth Louisiana Levee District at June 30, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 20 day of August, 2006.


Signature of Agency Official



NOTARY PUBLIC

NANCY W. FORD # 056552

Prepared by: ROZIER, HARRINGTON, MCKAY

Title: CERTIFIED PUBLIC ACCOUNTANTS

Telephone No.: (318) 442-1608

Date: AUGUST 20, 2006

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

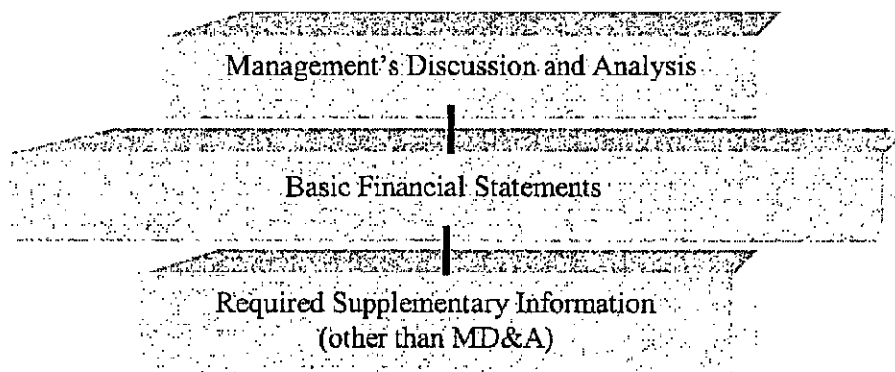
The Management's Discussion and Analysis of the Nineteenth Louisiana Levee District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page one and the District's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- ★ The District's assets exceeded its liabilities at the close of fiscal year 2006 by \$185,195. The net assets decreased by \$16,780 (or 8.3%).
- ★ The District's revenue increased by \$169 (or 0.4%) and the net results from activities decreased by \$23,855 (or 337.1%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 8) presents information showing how District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (page 10) presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of June 30, 2006 (in thousands)			
	Total		
	2006	2005	
Current and other assets	\$ 173	\$ 184	
Capital assets	15	19	
Total assets	188	203	
Other liabilities	3	1	
Long-term debt outstanding	0	0	
Total liabilities	3	1	
Net assets:			
Invested in capital assets, net of debt			
Restricted			
Unrestricted	185	202	
Total net assets	\$ 185	\$ 202	

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the District decreased by \$16,780, or 8.3%, from June 30, 2005 to June 30, 2006. One of the major causes of this decrease was the extraordinary maintenance expenditures associated with tree removal.

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2006
(In thousands)

	Total	
	2006	2005
Operating revenues	\$	\$
Operating expenses	58	34
Operating income(loss)	-58	-34
Non-operating revenues(expenses)	41	41
Income(loss) before transfers	-17	7
Transfers in:		
Transfers out		
Net increase(decrease) in net assets	\$ -17	\$ 7

The District's total revenues increased by \$ 169 or (0.4%). The total cost of all programs and services increased by \$24,024 or 71.7%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the District had \$14,648.27 invested in a broad range of capital assets, including automobiles and equipment. (See Table below)

This amount represents a net decrease (including additions and deductions) of \$4,115, or 21.9%, over last year.

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	2006	2005
Land	\$	\$
Buildings and improvements		
Equipment	15	19
Infrastructure		
Totals \$	\$ 15	\$ 19

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

This year's major additions included (in thousands):

- No new assets were added.

Debt

The District had no bonds and notes outstanding at year-end, compared to none last year, a (decrease / increase) of 0% as shown in the table below.

Outstanding Debt at Year-end (in thousands)		
	2006	2005
General Obligation Bonds	\$ 0	\$ 0
Revenue Bonds and Notes	0	0
Totals \$	<u>-</u>	<u>-</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$7 thousand under budget and expenditures were less than budget due in part to levee expenses being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Ad valorem taxes
- Interest income
- Projects under consideration
- Intergovernmental revenues (state and local grants)

The District expects that next year's results will improve based on the following:

- Extraordinary maintenance activity has been completed.

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Reed Perilloux, President, Post Office Box 267, Colfax, Louisiana 71417.

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
BALANCE SHEET
AS OF JUNE 30, 2006**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	34,765
Investments		138,362
Receivables (net of allowance for doubtful accounts)(Note U)		118
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		173,245

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		14,648
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		14,648
Total assets	\$	187,894

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	2,699
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		2,699

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		-
Total liabilities		2,699

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		185,195
Total net assets		185,195
Total liabilities and net assets	\$	187,894

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
NINETEENTH LOUISIAN LEVEE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____
OPERATING EXPENSES	
Cost of sales and services	37,859
Administrative	15,571
Depreciation	4,115
Amortization	_____
Total operating expenses	57,545
Operating income(loss)	(57,545)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	21,959
Use of money and property	18,807
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	40,766
Income(loss) before contributions and transfers	(16,779)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(16,779)
Total net assets - beginning as restated	201,975
Total net assets - ending	\$ 185,196

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
 NINETEENTH LOUISIANA LEVEE DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2006

See Appendix A for instructions

		Program Revenues		
		Operating	Capital	
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions
				Net (Expense) Revenue and Changes in Net Assets
Entity	\$ 57,545	\$	\$	\$ (57,545)
General revenues:				
Taxes				21,959
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				18,807
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				40,766
Change in net assets				(16,779)
Net assets - beginning as restated				201,975
Net assets - ending				\$ 185,196

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities

Cash received from customers	\$	
Cash payments to suppliers for goods and services		(33,218)
Cash payments to employees for services		(18,654)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities	\$	(51,872)

Cash flows from non-capital financing activities

State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		21,965
Net cash provided(used) by non-capital financing activities		21,965

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		26,608
Interest and dividends earned on investment securities		18,807
Net cash provided(used) by investing activities		45,415

Net increase(decrease) in cash and cash equivalents		15,508
Cash and cash equivalents at beginning of year		19,257
Cash and cash equivalents at end of year	\$	34,765

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
NINETEENTH LOUISIAN LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Operating income(loss)		\$ <u>(57,545)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	4,115	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	1,560	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u>(51,870)</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ <u>-</u>

The accompanying notes are an integral part of this statement.
Statement D (concluded)

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

INTRODUCTION

The District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:291. The following is a brief description of the operations of the District, which includes the parish/parishes in which the District is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the District are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006

	<u>APPROPRIATIONS</u>
Original approved budget	\$ 40,945
Amendments:	
LEVEE REPAIRS	21,000
Final approved budget	\$ 61,945

C. **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. **DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2006, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 34,765	\$ 138,362	\$	\$ 173,127
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$	\$	\$	\$ -
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name		73,127		73,127
Total Bank Balances - All Deposits	\$ 34,765	\$ 138,362	\$	\$ 173,127

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	COLFAX BANKING COMPANY	FDIC & PLEDGED SECURITIES	\$ 173,127
2.			
3.			
4.			
Total			\$ 173,127

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ 0.00
Petty cash	\$ 0.00

2. INVESTMENTS

At June 30, 2006, the District did not hold any investments.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Year ended June 30, 2006						
	Balance 6/30/2005	Prior Period Adjustment	Adjusted Balance 7/1/2005	Additions	Transfers*	Balance 6/30/2006
Capital assets not being depreciated						
Land	\$	\$	\$	-	\$	\$
Non-depreciable land improvements				-		-
Capitalized collections				-		-
Construction in progress				-		-
Total capital assets not being depreciated	\$	-	\$	-	\$	-
Other capital assets						
Furniture, fixtures, and equipment	\$ 51,092	\$	\$ 51,092	\$	\$	\$ 51,092
Less accumulated depreciation	(32,329)		(32,329)	(4,115)		(36,444)
Total furniture, fixtures, and equipment	18,763	-	18,763	(4,115)	-	14,648
Buildings and improvements			-			-
Less accumulated depreciation			-			-
Total buildings and improvements	-	-	-	-	-	-
Depreciable land improvements			-			-
Less accumulated depreciation			-			-
Total depreciable land improvements	-	-	-	-	-	-
Infrastructure			-			-
Less accumulated depreciation			-			-
Total infrastructure	-	-	-	-	-	-
Total other capital assets	\$ 18,763	\$ -	\$ 18,763	\$ (4,115)	\$ -	\$ 14,648
Capital Asset Summary:						
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, at cost	51,092	-	51,092	-	-	51,092
Total cost of capital assets	51,092	-	51,092	-	-	51,092
Less accumulated depreciation	(32,329)	-	(32,329)	(4,115)	-	(36,444)
Capital assets, net	\$ 18,763	\$ -	\$ 18,763	\$ (4,115)	\$ -	\$ 14,648

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES

At June 30, 2006, the District did not have any inventories.

F. RESTRICTED ASSETS

At June 30, 2006, the District did not have any assets subject to restrictions.

G. LEAVE

All of the District's employees work strictly on a part-time basis. Accordingly, these employees have not accumulated any accrued leave balances

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

H. RETIREMENT SYSTEM

All of the District's employees work strictly on a part-time basis. Accordingly, these employees do not participate in a retirement system.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

All of the District's employees work strictly on a part-time basis. Accordingly, these employees have not accumulated any accrued benefits.

J. LEASES

The District does not lease any of the property or equipment used in its operations.

K. LONG-TERM LIABILITIES

The District is not subject to any long-term obligations.

L. CONTINGENT LIABILITIES

The District did not have any contingent liabilities for the year ending June 30, 2006.

M. RELATED PARTY TRANSACTIONS

For the year ended June 30, 2006, the District did not engage in any related party transactions.

N. ACCOUNTING CHANGES

For the year ended June 30, 2006, there were no accounting changes.

O. IN-KIND CONTRIBUTIONS

There were no in-kind contributions for the year ended June 30, 2006.

P. DEFEASED ISSUES

The District is not subject to any debt and has not engaged in any refunding of debts.

Q. COOPERATIVE ENDEAVORS

The District has not engaged in any Cooperative Endeavors.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The District has not engaged in any government-mandated non-exchange transactions.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

The District has not violated any finance related legal or contractual provisions.

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006

T. SHORT-TERM DEBT

The District is not subject to any short-term debt.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2006, were as follows:

<u>Fund</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
	\$	\$	\$	\$	\$
					-
					-
Gross receivables	\$ -	\$ 100	\$ -	\$ 18	\$ 118
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ 100	\$ -	\$ 18	\$ 118
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2006, were as follows:

<u>Fund</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other Payables</u>	<u>Total Payables</u>
	\$	\$	\$	\$	\$
	1,830	588		281	2,699
Total payables	\$ 1,830	\$ 588	\$ -	\$ 281	\$ 2,699

W. SUBSEQUENT EVENTS

No significant events have occurred subsequent to June 30, 2006.

X. SEGMENT INFORMATION

The District's activities are limited to levee maintenance and related administration. Since operations are limited to a single activity, there are no segments.

Y. DUE TO/DUE FROM AND TRANSFERS

At June 30, 2006, there were no interfund balances and there were no transfers among funds during the fiscal year.

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The District does not have any restricted assets or liabilities payable from restricted net assets.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

No adjustments were made to restate beginning net assets for June 30, 2006.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at June 30, 2006, \$ 0.00 are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

CC. IMPAIRMENT OF CAPITAL ASSETS

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

	Amount of	Indication	Insurance	
	Impairment	of	Recovery in	Reason for Impairment
Type of asset	Loss	Impairment	the same FY	(e.g. hurricane)
Buildings				
Movable Property				
Infrastructure				

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Type of asset	Carrying Value
Buildings	\$
Movable Property	\$
Infrastructure	\$

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

The District's employees work strictly on a part-time basis. Accordingly, these employees do not receive any benefits from the District.

As of and for the year ended June 30, 2006

For the Year Ended June 30, 2006

1,500

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2006**

<u>Description of Funding</u>	<u>Amount</u>
1. NONE	\$
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
Total	\$

STATE OF LOUISIANA
 NINETEENTH LOUISIANA LEVEE DISTRICT
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 June 30, 2006
 (Fiscal Close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
n/a		\$	\$	\$	\$		\$
Total		\$		\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
 NINETEENTH LOUISIANA LEVEE DISTRICT
 SCHEDULE OF NOTES PAYABLE
 JUNE 30, 2006
 (Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
n/a		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2006

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
n/a		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
SCHEDULE OF REIMBURSEMENT CON
TRACTS PAYABLE AMORTIZATION
For The Year Ended JUNE 30, 2006

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ N/A	\$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	\$ --	\$ --

SCHEDULE 4-A

STATE OF LOUISIANA
 NINETEENTH LOUISIANA LEVEE DISTRICT
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2006

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2007	\$ N/A	\$	\$	\$ #VALUE!
2008				--
2009				--
2010				--
2011				--
2012-2016				--
2017-2021				--
2022-2026				--
2027-2031				--
Total	\$ --	\$ --	\$ --	\$ #VALUE!

**STATE OF LOUISIANA
NINETEENTH LOUISIANA LEVEE DISTRICT
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2006**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ N/A	\$
2008		
2009		
2010		
2011		
2012-2016		
2017-2021		
2022-2026		
2027-2031		
Total	\$ --	\$ --

SCHEDULE 4-C

**STATE OF LOUISIANA
NINETEETH LOUISIANA LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2006**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ N/A	\$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	\$ --	\$ --

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2006</u>	<u>2005</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>40,766</u>	\$ <u>40,597</u>	\$ <u>169</u>	\$ <u>0.4%</u>
Expenses	<u>57,545</u>	<u>33,521</u>	<u>24,024</u>	<u>71.7%</u>
2) Capital assets	<u>14,648</u>	<u>18,763</u>	<u>(4,115)</u>	<u>(21.9%)</u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net Assets	<u>185,195</u>	<u>201,975</u>	<u>(16,780)</u>	<u>(8.3%)</u>
Explanation for change:	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>